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**WATERWORKS DISTRICT NO. 1
A COMPONENT UNIT OF UNION PARISH POLICE JURY
PROPRIETARY FUND - ENTERPRISE FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

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Release Date: **3-17-09**

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Proprietary Fund – Enterprise Fund

Financial Statements
For the Year Ended December 31, 2001

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Waterworks District No. 1
Farmerville, Louisiana

I have audited the accompanying balance sheet of Waterworks District No. 1 (a component unit of Union Parish Police Jury) as of December 31, 2001, and the related statements of revenues, expenses, and changes in retained earnings and cash flows for the year then ended. These financial statements are the responsibility of Waterworks District No. 1's management. Our responsibility is to express an opinion on these financial statements on our audit.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Waterworks District No. 1 as of December 31, 2001, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

My audit was conducted for the purpose of forming an opinion on the financial statements referred to in the first paragraph taken as a whole. The budgetary information included on page 3 and 6 is presented for purposes of additional analysis and is not a required part of the financial statements of Waterworks District No. 1. Such information has been subjected to the auditing procedures applied in the audit of the financial

statements and, in my opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Respectfully,



Nathan L. Kierulff
Certified Public Accountant

June 10, 2002

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Proprietary Fund Type - Enterprise Fund
Balance Sheet
December 31, 2001

ASSETS

Current Assets	
Cash	\$ 158,787
Accounts Receivable - Customers	14,500
Prepaid Expenses	3,041
Total Current Assets	<u>176,328</u>
Restricted Assets	
Cash	43,815
Investments	28,821
Total Restricted Assets	<u>72,636</u>
Property, Plant and Equipment	
Water Plant and Water Lines	583,406
Furniture and Equipment	2,024
Total	<u>585,430</u>
Less: Accumulated Depreciation	(244,112)
Net Depreciable Assets	<u>341,318</u>
Land	1,825
Construction in Progress	-
Total Property, Plant and Equipment	<u>343,143</u>
Other Assets	
	-
TOTAL ASSETS	<u>\$ 584,547</u>

The accompanying notes are an integral part of this statement.

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Proprietary Fund Type - Enterprise Fund
Balance Sheet
December 31, 2001

LIABILITIES AND RETAINED EARNINGS

LIABILITIES

Current Liabilities (Payable from Current Assets)

Accounts Payable	\$ 3,523
Total	<u>3,523</u>

Current Liabilities (Payable from Restricted Assets)

Accrued Interest Payable	3,776
Bonds Payable	7,589
Customers' Motor Deposits	<u>4,057</u>
Total	<u>15,422</u>

Total Current Liabilities	<u>18,945</u>
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Long-term Liabilities

Bonds Payable	<u>428,546</u>
Total Long-term Liabilities	<u>428,546</u>

TOTAL LIABILITIES	<u>447,491</u>
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RETAINED EARNINGS

Reserved	
Reserved for Debt Service, Depreciation, and Contingency	63,836

Unreserved	
Unassigned	337,649
Designated for Prior Year Adjustments	-

TOTAL RETAINED EARNINGS	<u>401,485</u>
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TOTAL LIABILITIES AND RETAINED EARNINGS	<u>\$ 847,976</u>
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The accompanying notes are an integral part of this statement.

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Proprietary Fund Type - Enterprise Fund
Statement of Revenues, Expenses, and Changes in Retained Earnings
- Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Operating Revenues			
Water Sales	\$ 165,000	\$ 167,532	\$ (2,428)
Installation Fees	5,000	2,455	(2,545)
Total Operating Revenues	<u>170,000</u>	<u>169,987</u>	<u>(1,013)</u>
Operating Expenses			
Bad Debt	-	2,776	(2,776)
Board of Commissioners' Fees	1,300	940	360
Contract Labor	16,000	19,697	(3,697)
Depreciation	17,283	17,748	(465)
Equipment Rental	2,000	2,137	(137)
Insurance	2,000	2,800	(800)
Materials, Repairs, and Supplies	40,000	15,909	24,091
Office Expenses	2,340	1,332	908
Other Expenses	1,000	4,976	(3,976)
Payroll Taxes	800	722	78
Professional Fees	2,340	3,045	(455)
Salaries	8,400	8,607	(417)
Sales Tax	6,000	-	6,000
Utilities	18,200	16,897	1,803
Total Operating Expenses	<u>120,143</u>	<u>98,158</u>	<u>22,205</u>
Total Operating Income	<u>49,857</u>	<u>51,889</u>	<u>(2,232)</u>
Nonoperating Income (Expense)			
Interest Earned	2,488	2,232	2,859
Interest Expense	(22,902)	(21,847)	1,055
Total Nonoperating Income (Expense)	<u>(19,396)</u>	<u>(19,315)</u>	<u>881</u>
Net Income (Loss)	<u>30,461</u>	<u>32,574</u>	<u>282</u>

The accompanying notes are an integral part of this statement.

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Proprietary Fund Type - Enterprise Fund
Statement of Revenues, Expenses, and Changes in Retained Earnings
- Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Retained Earnings at Beginning of Year	363,919	363,919	
Retained Earnings at End of Year	<u>\$ 386,127</u>	<u>\$ 401,473</u>	

The accompanying notes are an integral part of this statement.

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Proprietary Fund Type - Enterprise Fund
Statement of Cash Flows
For the Year Ended December 31, 2003

Cash Flows from Operating Activities	
Operating Income	\$ 31,871
Adjustments to reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	17,748
Changes in:	
Accounts Receivable	2,718
Prepaid Expenses	(434)
Accounts Payable	624
Interest Payable	(90)
Other Assets	410
Total Adjustments	20,956
Net Cash Provided by Operating Activities	<u>52,827</u>
Cash Flows from Noncapital Financing Activities	
Change in Customers' Meter Deposits	<u>1,159</u>
Cash Flows from Capital and Related Financing Activities	
Principal payments on bonds payable	(7,831)
Principal payments on notes payable	-
Interest paid on bonds and notes payable	(21,847)
Net Cash used by Capital and Related Financing Activities	<u>(29,678)</u>
Cash flows from Investing Activities	
Purchase of fixed assets	-
Liquidation of investments	11,288
Interest received from investments	5,332
Net Cash provided by Investing Activities	<u>16,620</u>
Net Increase in Cash and Cash Equivalents	<u>39,829</u>
Cash and Cash Equivalents, Beginning of Year	140,304
Cash and Cash Equivalents, End of Year	<u>\$ 180,133</u>

The accompanying notes are an integral part of this statement.

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Proprietary Fund Type - Enterprise Fund
Statement of Cash Flows
For the Year Ended December 31, 2001

Cash and Cash Equivalents shown on Balance Sheet are:

Current Assets	
Cash	\$ 136,797
Restricted Assets	
Cash	43,815
Total Cash and Cash Equivalents	\$ <u>180,612</u>

The accompanying notes are an integral part of this statement.

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Proprietary Fund Type – Enterprise Fund
Notes to the Financial Statements
December 31, 2001

The accounting and reporting policies of Waterworks District No. 1 (the District) conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, *Audits of State and Local Governmental Units*.

The following notes to the financial statements are an integral part of the District's financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. HISTORY

The District, a component unit of Union Parish Police Jury, was created by the Union Parish Police Jury as authorized by Chapter 9 of Title 33 of the Louisiana Revised Statutes of 1950. The District is governed by a five-member Board of Commissioners. The District is responsible for the maintenance and operation of the water system within the boundaries of the water district.

B. REPORTING ENTITY

The Governmental Accounting Standards Board (GASB) is the accepted standard setting authority for generally accepted accounting principles as applied to governmental entities. In June 1991, the GASB issued Statement Number 14 "The Financial Reporting Entity." This Statement established criteria for determining which component units of government should be considered part of the primary government for financial reporting purposes.

The basic criteria for determining a component unit is accountability. The Union Parish Police Jury appoints a voting majority of the Board of Commissioners of the District and, therefore, has the ability to impose its will upon the District. The District is also financially dependent upon the Police Jury. Therefore, the District is considered a component unit of the Police Jury, the primary governing body of the parish and the governmental body with oversight responsibility.

C. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus.

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Proprietary Fund Type – Enterprise Fund
Notes to the Financial Statements
December 31, 2003

applied. The District's records are maintained on an accrual basis. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

D. BUDGETARY PRACTICES

The Secretary-Treasurer prepares the annual budget and presents it to the Board for adoption by November 30 of the preceding year. Budgeted amounts, including subsequent amendments, have been included in the accompanying financial statements.

E. STATEMENT OF CASH FLOWS

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

F. INVESTMENTS

Investments consist of certificates of deposits which are stated at cost plus interest credited to the account.

G. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment purchased by the District are recorded at cost. Depreciation of all exhaustible fixed assets used by the District is charged as an expense against operations. Depreciation is computed using the straight-line method. Estimated useful lives are 30 years on the water plant and from 5 to 20 years on equipment.

Expenditures for repairs and maintenance are expensed as incurred; significant betterments are capitalized.

H. VACATION, SICK LEAVE AND RETIREMENT PLAN

The District does not have formal vacation, sick leave and retirement plan policies.

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Proprietary Fund Type – Enterprise Fund
Notes to the Financial Statements
December 31, 2000

I. BAD DEBTS

Uncollectible amounts for customers' water receivables are generally not significant. As a result, the direct write-off method for recognizing bad debts is used. Under this method, the receivable is charged to expense when the account is deemed to be uncollectible.

J. RESERVATIONS OF RETAINED EARNINGS

Some portions of retained earnings are reserved to indicate that a portion of retained earnings is legally restricted to a specific future use and is not available for appropriation or expense.

K. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual costs could differ from those estimates.

2. CASH AND INVESTMENTS

At December 31, 2000, the District's cash and investments, shown on the balance sheet under current assets and restricted assets, consisted of checking, savings, and certificates of deposit accounts. The carrying amounts of these accounts totaled \$222,543 and the corresponding bank balances totaled \$228,768. All of the bank balances were covered by federal depository insurance or were adequately collateralized with financial institution assets.

3. RESTRICTED ASSETS (CASH AND INVESTMENTS)

Under the terms of the bond agreement and resolution of the Board of Commissioners, the District is required to establish and maintain four restricted asset account types. They are as follows:

1. A customer meter deposit account in which all customer meter deposits are held.
2. A revenue bond and interest sinking fund account from which bond principal and interest are paid. On or before the 30th of each month, the District is required to deposit a sum equal to one-twelfth of the total amount of principal and interest

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Proprietary Fund Type – Enterprise Fund
Notes to the Financial Statements
December 31, 2001

falling due in the following year for the 1990 bonds. A monthly payment of \$3,210.00 is required to be deposited for the 1997 bonds.

3. A reserved fund account in which funds are held for payment of bond principal and interest in the event the sinking fund account is unable to pay. On or before the 28th of each month, the District is required to deposit a sum at least equal to five percent of the amount to be paid into the sinking fund provided for in paragraph 2 above. The payments into the reserve are to continue until the reserve equals the highest combined principal and interest falling due in any year for the 1990 bonds. A monthly deposit of \$57 is required for the 1997 bonds.
4. A depreciation and contingency fund account to cover depreciation, extensions, additions, improvements and replacements necessary to properly operate the system. On or before the 28th of each month, the District is required to deposit \$88 per month for the 1990 bonds. A monthly deposit of \$68 is required for the 1997 bonds.

The account balances as of December 31, 2001 are listed below:

Customers' Meter Deposit Account	\$ 4,957
Waterworks Reserve Bond and Interest	
Sinking Fund Account - 1990	4,504
Waterworks Reserve Fund Account	15,519
Waterworks Depreciation and Contingency	
Fund Account	8,961
Waterworks Sinking Fund Account - 1997	1,640
Waterworks Reserve Fund Account - 1997	3,131
Waterworks Contingency Fund Account - 1997	4,645
TOTAL	<u>\$43,232</u>

4. LEASES

The District has a month-to-month operating lease for computer equipment for \$109 per month. For the year ended December 31, 2001, the District paid \$3,157 in connection with the computer equipment and software.

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Proprietary Fund Type – Enterprise Fund
Notes to the Financial Statements
December 31, 2001

9. LONG-TERM LIABILITIES

Revenue Bonds Payable:

December 31,
2001

1988 Issues

\$242,000 – 1988 Waterworks District No. 1
bonds payable in annual principal installments
of \$5,000 to \$15,000 through September 5,
2000; interest rate of 5.0%

175,000

1987 Issues

\$270,000 – 1987 Waterworks District No. 1
bonds payable in monthly installments of \$1,315
through September 3, 2007; interest rate of 5.0%

261,315

Total Bonds Payable

436,315

Less: Current Portion

(7,999)

TOTAL LONG-TERM BONDS PAYABLE

\$428,316

The bonds are secured by the revenue earned or derived from operations of the District.

The annual requirement to amortize the long-term obligations outstanding at December 31, 2001, including interest of \$401,951 attributable to Revenue Bonds, are as follows:

	Bonds Payable		
	1988 Issues	1987 Issues	Total
2002	14,690	15,780	30,470
2003	14,350	15,780	30,130
2004	14,690	15,780	29,870
2005	14,350	15,780	30,530
2006	14,400	15,780	30,180
2007-2007	<u>199,200</u>	<u>489,140</u>	<u>688,340</u>
Total debt payments	\$271,400	\$2,65,940	\$1,079,440

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Proprietary Fund Type – Enterprise Fund
Notes to the Financial Statements
December 31, 2001

6. BOARD OF COMMISSIONERS – PER DIEM PAYMENTS

In compliance with Louisiana Revised Statute 33:3419, the commissioners, with the exception of the president, receive a per diem of \$20 for each meeting they attend to a maximum of 12 meetings per year. The president's per diem is \$50 per meeting up to a maximum of 12 meetings per year.

Board of Commissioners fees for 2001 were as follows:

<u>Name</u>	<u>Number of Meetings</u>	<u>Amount</u>
Charles A. Calcutt	6	\$ 300
Steve Brantley	5	100
Brent Nolas	4	80
Kim Dumas	6	120
Carolyn Threlkell	5	100
Technical Consultants:		
Kathy Goodrich	6	120
Jack Dumas	6	120
TOTAL		<u>\$ 940</u>

7. RISK FINANCING ACTIVITIES

The District manages its exposure under general liability and property through the purchase of commercial insurance and safety bonds, as follows:

<u>Coverage</u>	<u>Expiration Dates</u>
General Liability Insurance	12/31/02
Commercial Property Insurance	12/31/02
Position Schedule Bond	03/31/02

8. ACCOUNTS RECEIVABLE

The district provides service to commercial and residential users within the established district. Sales for services for the month December 2001 included 923 users. At December 31, 2001, the District maintained an accounts receivable balance of \$14,919. This balance includes 93 accounts in arrears for a total of \$4,877. The District considers all accounts to be collectible.

RADIAN L. HENNEGAN

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Waterworks District No. 1
Farmersville, Louisiana

I have audited the financial statements of Waterworks District No. 1 (the District), a component unit of Union Parish Police Jury, as of and for the year ended December 31, 2001, and issued our report thereon dated June 10, 2002. I conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial

reporting that, in my judgment, could adversely affect the Waterworks District No. 1's ability to record, process, summarize, and report financial data consistent with the instructions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2000-1. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, I consider the reportable condition described above to be a material weakness.

This report is intended solely for the information and use of the audit committee, management, and others within the organization and should not be used by anyone other than these specified parties.

Respectfully,



Radwan L. Houtigan, CPA

Reston, VA
June 10, 2002

**WATERWORKS DISTRICT NO. 1
SCHEDULE OF CURRENT YEAR FINDING AND QUESTION COSTS
FOR THE YEAR ENDED DECEMBER 31, 2001**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Waterworks District No. 1.
2. *Some reportable conditions were disclosed during the audit of the financial statements that relate to internal control and compliance. See Management's Corrective Action Plan.*
3. There are no major programs.
4. The threshold for distinguishing Types A and B programs was \$200,000.
5. Waterworks District No. 1 was not determined to be low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

See Management's Corrective Action Plan.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Management's Corrective Action Plan
For the Year Ended December 31, 2001

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
FF01-1 Expenditures are not recorded until the check has cleared the bank rather than when the check was written.	Partially resolved - The District will begin recording expenditures upon disbursement.
SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
N/A	
SECTION III - MANAGEMENT LETTER	
N/A	

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Schedule of Prior Year Findings
For the Year Ended December 31, 2001

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
2000-1 The district has only one part-time employee. The lack of personnel has created a lack of effective internal control.	Partially Resolved - The District has implemented some additional procedures to enhance controls over receipt and deposit of revenue received. But it would not be cost-effective to hire additional personnel to provide adequate separation of duties for internal control for this also operation.
SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
NOA	
SECTION III - MANAGEMENT LETTER	
NOA	

**WATERWORKS DISTRICT NO. 1
A COMPONENT UNIT OF UNION PARISH POLICE JURY
FOR THE YEAR ENDED DECEMBER 31, 2001**

QUESTIONED COSTS

There were no questioned costs found.

SUPPLEMENTARY REPORTS

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Proprietary Fund Type - Enterprise Fund
Balance Sheets
December 31, 2001 and 2000

	December 31,	
	2001	2000
ASSETS		
Current Assets		
Cash	\$ 158,787	\$ 120,400
Accounts Receivable - Customers	14,820	17,637
Prepaid Expenses	3,841	2,987
Total Current Assets	<u>178,858</u>	<u>140,934</u>
Restricted Assets		
Cash	43,819	18,884
Investments	30,821	32,000
Total Restricted Assets	<u>65,836</u>	<u>52,884</u>
Property, Plant and Equipment		
Water Plant and Water Lines	887,406	887,406
Furniture and Equipment	2,024	2,024
Total	<u>889,430</u>	<u>889,430</u>
Less: Accumulated Depreciation	<u>(286,112)</u>	<u>(286,364)</u>
Net Depreciable Assets	603,318	603,066
Land	1,825	1,825
Construction in Progress	-	-
Total Property, Plant and Equipment	<u>607,143</u>	<u>604,891</u>
Other Assets	-	400
TOTAL ASSETS	<u>\$ 847,647</u>	<u>\$ 818,028</u>

The accompanying notes are an integral part of this statement.

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Proprietary Fund Type - Enterprise Fund
Balance Sheets
December 31, 2001 and 2000

	<u>December 31,</u>	
	<u>2001</u>	<u>2000</u>
LIABILITIES AND RETAINED EARNINGS		
LIABILITIES		
Current Liabilities (Payable from Current Assets)		
Accounts Payable	\$ 3,823	\$ 3,189
Total	<u>3,823</u>	<u>3,189</u>
Current Liabilities (Payable from Restricted Assets)		
Accrued Interest Payable	3,776	3,866
Bonds Payable	7,568	36,779
Customers' Meter Deposits	4,037	2,898
Total	<u>15,402</u>	<u>43,543</u>
Total Current Liabilities	<u>19,225</u>	<u>46,732</u>
Long-term Liabilities		
Bonds Payable	<u>428,946</u>	<u>421,367</u>
Total Long-term Liabilities	<u>428,946</u>	<u>421,367</u>
TOTAL LIABILITIES	<u>448,171</u>	<u>468,100</u>
RETAINED EARNINGS		
Reserved		
Reserved for Debt Service, Depreciation, and Contingency	63,836	38,759
Unreserved		
Undesignated	337,648	315,140
Designated for Prior Year Adjustments	-	-
TOTAL RETAINED EARNINGS	<u>401,484</u>	<u>353,900</u>
TOTAL LIABILITIES AND RETAINED EARNINGS	<u>\$ 849,655</u>	<u>\$ 822,000</u>

The accompanying notes are an integral part of this statement.

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Proprietary Fund Type - Enterprise Fund
Statements of Revenues, Expenses, and Changes in Retained Earnings
For the Years Ended December 31, 2001 and 2000

	December 31,	
	2001	2000
Operating Revenues		
Water Sales	\$ 147,372	\$ 135,068
Installation Fees	2,455	2,400
Total Operating Revenues	<u>150,027</u>	<u>137,468</u>
Operating Expenses		
Bad Debt	3,776	-
Board of Commissioners' Fees	940	838
Contract Labor	19,697	36,008
Depreciation	17,748	17,748
Equipment Rental	2,197	1,528
Insurance	2,804	2,801
Materials, Repairs, and Supplies	15,009	15,009
Office Expenses	1,532	2,538
Other Expenses	4,978	1,475
Payroll Taxes	722	571
Professional Fees	3,043	4,525
Salaries	8,917	3,436
Sales Tax	-	-
Utilities	36,897	16,523
Total Operating Expenses	<u>98,194</u>	<u>87,607</u>
Total Operating Income	<u>51,868</u>	<u>70,423</u>
Nonoperating Income (Expense)		
Interest Earned	5,532	4,430
Interest Expense	(21,843)	(24,535)
Total Nonoperating Income (Expense)	<u>(16,311)</u>	<u>(20,145)</u>
Net Income (Loss)	<u>35,554</u>	<u>50,278</u>

The accompanying notes are an integral part of this statement.

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Proprietary Fund Type - Enterprise Fund
Statements of Revenues, Expenses, and Changes in Retained Earnings
For the Years Ended December 31, 2001 and 2000

	December 31,	
	2001	2000
Prior Year Adjustments	"	"
Retained Earnings at Beginning of Year	\$65,921	\$05,651
Retained Earnings at End of Year	<u>\$ 401,435</u>	<u>\$ 365,921</u>

The accompanying notes are an integral part of this statement.

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Proprietary Fund Type - Enterprise Fund
Statements of Cash Flows

For the Years Ended December 31, 2001 and 2000

	December 31,	
	2001	2000
Cash flows from Operating Activities		
Operating Income	\$ 51,875	50,453
Adjustments to reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	17,748	17,748
Changes in:		
Accounts Receivable	3,718	4,773
Prepaid Expenses	(464)	(227)
Accounts Payable	624	(578)
Notes Payable	(98)	
Other Assets	439	913
Total Adjustments	20,988	21,718
Net Cash Provided by Operating Activities	<u>72,827</u>	<u>92,149</u>
Cash flows from Noncapital Financing Activities		
Change in Customers' Meter Deposits	<u>1,158</u>	<u>79</u>
Cash flows from Capital and Related Financing Activities		
Principal payments on bonds payable	(7,631)	(14,098)
Principal payments on notes payable	-	-
Proceeds from interim loan	-	-
Interest paid on bonds and notes payable	(21,847)	(24,573)
Net Cash Provided by Capital and Related Financing Activities	<u>(29,478)</u>	<u>(38,661)</u>
Cash flows from Investing Activities		
Purchase of fixed assets	-	(18,108)
Purchase of investments	11,288	(10,658)
Interest received from investments	5,532	4,450
Net Cash used by Investing Activities	<u>16,820</u>	<u>(24,316)</u>
Net Increase in Cash and Cash Equivalents	<u>60,229</u>	<u>29,252</u>

The accompanying notes are an integral part of this statement.

Waterworks District No. 1
A Component Unit of Union Parish Police Jury
Proprietary Fund Type - Enterprise Fund
Statements of Cash Flows
For the Years Ended December 31, 2001 and 2000

	December 31,	
	2001	2000
Cash and Cash Equivalents, Beginning of Year	146,794	118,228
Cash and Cash Equivalents, End of Year	\$ <u>200,723</u>	<u>138,481</u>
Cash and Cash Equivalents shown on Balance Sheet as:		
Current Assets		
Cash	\$ 138,707	128,410
Restricted Assets		
Cash	40,815	19,884
Total Cash and Cash Equivalents	\$ <u>200,723</u>	<u>148,294</u>

The accompanying notes are an integral part of this statement.